

172-3627

IG

11 June 1973

MEMORANDUM FOR: Inspector General

SUBJECT : The Future Role of the Inspector General

My memorandum of 9 April 1973 reviewed some of the questions posed for the Inspector General by termination of the program of component inspections, which had constituted the major part of this office's activity. This memorandum is intended to develop the question more fully, suggesting directions that might be taken.

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The Charter

[REDACTED] states that the Chief, Inspection Staff, shall "survey and evaluate the assignment and performance of missions and functions for all components of the Agency." Over the years this was implemented by the program that was known as "component inspections." These comprehensive and in-depth surveys are considered no longer appropriate to the requirements of management control. This does not necessarily mean, however, that the generally stated responsibility should end. It is quite appropriate to suggest that the Inspection Staff can be given new work relating to management problems, as in recent special assignments from the CIA Management Committee. Additional activities will be considered below, but the point here is that it is not necessary to change the phrasing of the regulation while we develop a different approach to adhering to the spirit of its requirement.

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There is additional reason for retaining the formal statement of mission and functions, that being how the Agency presents itself to outside authorities.

[REDACTED] pertains to the Audit Staff, which is to "perform independent audit of all matters relating to the receipt, disbursement, and application of funds and assets . . ." If the Agency is to retain an "independent audit," reporting to the Director free of partisan review by command echelons, there must be provision for an independent organizational subordination similar to that now in effect, in its freedom to report to the top. The service provided by the Audit Staff is in lieu of an external audit. Almost all other Government agencies have their affairs audited by GAO; CIA does not. Private industry employs outside audit firms to review

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its affairs and report to the board of directors and stockholders. The existence of the CIA Audit Staff independent of an internal line command serves the express purpose of ensuring both the fact and appearance of responsible and impartial audit activity. Were the Audit Staff to be subordinated to the DDM&S -- which has been suggested -- in line with the concept of administrative centralization, its independent status would be compromised both in appearance and possibly, over the long run, in fact. It is noted that the majority of Audit Staff recommendations relate to support matters.

There is a strong case for not changing either the present statement of mission and functions, or the broad outline of structural organization of the Office of the Inspector General.

Personnel and Grievance Work

At the time the decision was taken to reduce the function of the Inspector General, the thought was that it would concentrate on its functions relative to personnel. There is a tendency to refer to the Inspector General's activity relating to personnel as "grievance work." In fact, the responsibility is broader. There is something of a police responsibility, requiring investigation of fraud, misuse of funds, conflicts of interest, misfeasance, malfeasance and nonfeasance. There is also something of a role of chaplain, or court-of-last-resort, for personnel seeking relief from real or imagined abuse. In practice there has been more of the chaplain activity, so the burden of work has been in the grievance field, but it is not exclusive nor should it be considered so.

In the past we have been fairly passive in the personnel field, appeals being at the initiative of the employees, except in those cases encountered in the course of component surveys, which are now largely behind us. We have a continuing program of interviewing returnees from overseas, which produces some cases, but this has tended to become a pro forma exercise. A couple of years ago we conducted two programs of interviewing personnel at Headquarters (which we called HIP), one in a component, and the other of employees who had served with the Agency for a certain period of time. This was not continued due to the press of business, although Mr. Helms indicated interest in our doing so. Both these interview activities might be dusted off and reviewed as a possible course of action for taking a more positive and meaningful attitude towards personnel.

The Agency is likely to be engaged in change for some time to come and personnel can be expected to feel that they have problems in adjusting to new arrangements and requirements. A properly designed program of the IG's for selective interviewing may provide insights for managers as to how personnel are making the adjustments, and may alert them to incipient problems that can be handled relatively easily before they assume a larger significance. This may be a more useful activity now than it would have been in a more static period. ✓

The Equal Opportunity and Federal Women's Programs fit quite naturally under the IG in his responsibility for personnel and should remain there. The requirement of outside authority for a clearly independent status is particularly sensitive for the Equal Employment Opportunity program. Subordination of these programs under line of command components, particularly those related to personnel offices, have been challenged seriously by the Civil Service Commission, as well as by non-Government groups which attribute past inequalities to the normal administrative mechanisms. ✓

Management Review

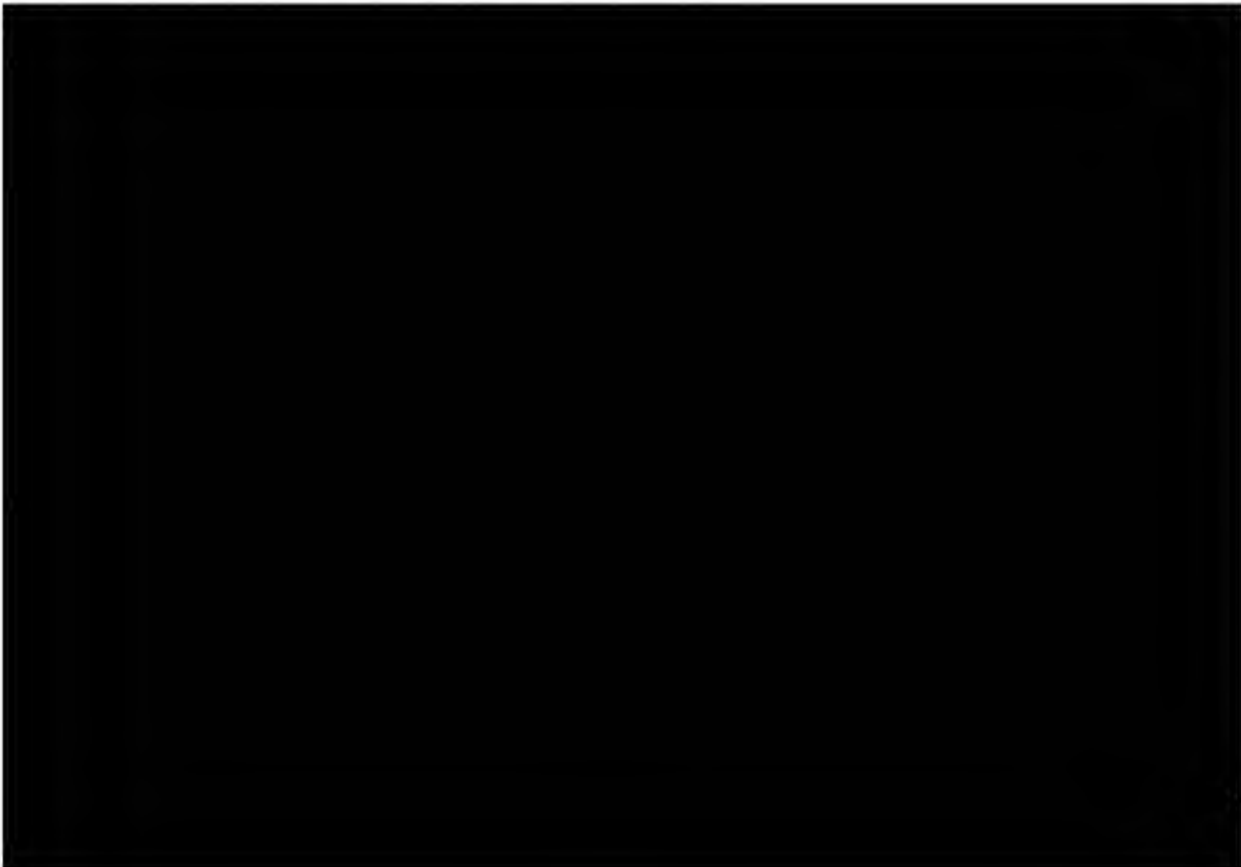
Without in any sense attempting to resurrect the specter of the component survey, there still seems to be a role for the Inspector General in the area of management. Mr. Colby has evidenced a readiness to assign to the Inspection Staff studies on a variety of subjects, in support of considerations of the CIA Management Committee, and has expressed the view that the Inspector General has a special capability in this respect. The Management Committee is likely to continue as a management mechanism for the foreseeable future, and we might expect a continued number of assignments of this nature. Assuming that we can respond, producing sound and perceptive papers in relatively short time, we will have a real and satisfying contribution to make. ✓

In addition to the special assignments we will do for the Management Committee, the proposed personnel interview programs will probably produce, as a by-product, insights into management problems that exist or that may be developing in various components. To the extent that we identify such issues they are likely to present themselves as questions rather than as definitive findings. If reported to the Management Committee -- or to management in the component concerned -- the decision can be made whether management can handle it on the spot, or whether the Inspector General should pursue it further. ✓

As our experience grows with this new mode of operation it may be possible to develop a new approach to spot surveys of special problems. Techniques developed in the past -- both in the context of the somewhat ponderous component survey and in special studies we have conducted -- will be applicable to such activity should the occasion present itself. At present such ideas are probably best held for the future.

Staff Manpower

STATINTL The above approach to a staff program will require establishing a minimum strength in the Inspection Staff. To date there has been some uncertainty as to just what this will be, with the question set for review at the end of CY 1973.



Conclusion

The question is first whether there is a significant role for the Inspector General. Will Agency management use the staff and protect the inspection and audit functions as integral tools of top management control of the Agency, or will it opt for alternative

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methods. In part the answer to the question lies in the posture and attitude of the Inspector General and his staff, in the bona fide things they find to do and how they respond to assignments given them. If the staff is undermanned during its period of testing it will have great difficulty in acquitting itself acceptably. I happen to think that a staff such as this -- especially in an Agency such as ours -- has a unique service to give. It would be regrettable if its capabilities were to be allowed to deteriorate to a point of ineffectiveness.

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Bill:

I asked [REDACTED] to consider the role of the "reduced IG staff" and come up with some ideas for its productive use. Attached is the result. I believe the paper has real merit and will give Don Chamberlain something to work with.

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Inspector General

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MEMORANDUM FOR:

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A very good
paper - and a
good chart for future
IG role —

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[REDACTED]

18 June 73
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